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25X1A5a1

APR 18 1955

APPRAISAL OF [REDACTED] STUDY

"Economics of Communist Eastern Europe"

Original Objectives

The original objectives of ORR in asking for the preparation of this report were:

- (a) To provide information and analysis about economic integration of the Bloc.
- (b) To provide information and analysis concerning the character and magnitude of economic growth in the European Satellites.
- (c) To provide analytical and research techniques for study of the various economic sectors of Soviet Bloc countries.

More broadly the ORR requested an up-to-date analysis of economic development of areas under Soviet control including the relocation and training of workers and the effect of industrialization on the agricultural labor force.

Review of the Project

A comparison of the completed study with the original ORR objectives reveals:

- (a) The information and analysis of economic integration of the European Satellites through 1949 is the most comprehensive treatment available. It is useful for background information and as such has been used in the preparation of contributions to National Intelligence Estimates on the European Satellite economies, (ORR Projects 10.140 and 10.142) and for projects involving European Satellite organizations

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and Soviet integration attempts (such as EIC-P-5, Institutions and Arrangements in European Satellites Foreign Trade).

(b) The information and analysis provided concerning the character and magnitude of economic growth in the European Satellites has had rather exhaustive treatment and provides excellent materials for ORR use for the period covered. Use was made of this material in the projects mentioned in (a) above and will provide a good deal of information for MIS Sections 65 on Rumania and Hungary.

(c) The analytical and research techniques presented in the study are conventional and do not provide any significantly different techniques for use by ORR. This objective may have been overly ambitious but nevertheless was not fulfilled in spite of some rather concrete suggestions by ORR as to the desired analysis of the processes of the sovietization of an economy.

In general the project was well done within the listed limitations. A study of the economic events in the European Satellites from 1945 through 1949 was needed as background material by ORR. Such a study could not have been completed in ORR for the expenditure made on the 25X1A5a1 project. The study could well have been directed at the later years and the important role of East Germany and resulted in more value to ORR.

In summary a great deal of valuable information was uncovered in the study for a relatively low expenditure. It is likely, however, that even more

value could have been obtained from the budgeted cost if the author had made an additional effort to meet ORR needs as specified in the original project request.